

**Supplemental Reporting Document
Table of Contents
February 2006 Investment Committee Meeting
(December 2005 Reporting Period)**

Investment Transactions

Public Employees Retirement Fund

Internal Programs

Real Estate Equity Transactions

AIM Program Transactions

AIM Program Items Completed Under Delegation of Authority

Risk Managed Absolute Return Strategies Program Items Completed

Under Delegation of Authority

CURRENT STATUS OF ALL COMPLETED CALPERS REAL ESTATE EQUITY TRANSACTIONS FOR NOVEMBER 2005

ADVISOR	PROPERTY TYPE	PROPERTY NAME	CITY	STATE	MOST RECENT APPRAISED VALUE *	ACQUISITION DATE **	DISPOSITION DATE **	HISTORIC COST *	CALPERS SHARE OF TRANSACTION AMOUNT	ESTIMATED AFTER FEE IRR *	STATUS/ COMMENTS
---------	---------------	---------------	------	-------	-------------------------------	---------------------	---------------------	-----------------	-------------------------------------	---------------------------	------------------

DISPOSITIONS

CalSmart/Rreef	CURE	Rye Canyon, Lot 24 (104-108) - p/s	Valencia	CA	N/A	08/13/03	11/01/05	N/A	3,225,710	N/A	Disposition
CalSmart/Rreef	CURE	Rye Canyon, Lot 24 (102) - p/s	Valencia	CA	N/A	08/13/03	11/04/05	N/A	1,181,324	N/A	Disposition
CalSmart/Rreef	CURE	Benicia Business Center - p/s	Benicia	CA	N/A	02/13/04	11/10/05	N/A	1,409,688	N/A	Disposition
CalSmart/Rreef	CURE	Rye Canyon, Lot 24 (103) - p/s	Valencia	CA	N/A	08/13/03	11/16/05	N/A	1,213,070	N/A	Disposition
GID	Apartment	Windsor Villa	Bethesda	MD	55,783,000	12/16/99	11/17/05	40,001,898	66,219,537	21.0%	Disposition
NOP/Hines	Office	1100 Louisiana	Houston	TX	196,000,000	12/29/99	11/18/05	240,934,192	216,580,000	3.2%	Disposition
CalSmart/Rreef	CURE	Cypress - 10711 Walker - p/s	Cypress	CA	N/A	12/31/02	11/23/05	N/A	5,708,258	N/A	Disposition
GID	Apartment	Windsor on the Plaza	Kansas City	MO	47,201,000	03/20/00	11/30/05	39,745,761	48,464,520	10.8%	Disposition

Total : 298,984,000 320,681,851 344,002,107

ACQUISITIONS ***

Blackrock Realty	Apartment	Estates at Sterling Ridge	Woodlands	TX	N/A	11/15/05	N/A	N/A	22,171,897	9.8%	Acquisition
NOP/Hines	Office	Cottonwood	Salt Lake City	UT	N/A	11/16/05	N/A	N/A	42,140,000	11.3%	Acquisition
NOP/Hines	Office	Station Square	Silver Spring	MD	N/A	11/17/05	N/A	N/A	62,230,000	9.0%	Acquisition
CalSmart/Rreef	CURE	Mountain View Business Center	Redlands	CA	N/A	11/21/05	N/A	N/A	13,592,150	15.3%	Acquisition
CalEast/LaSalle	Industrial	Van Deemter Court	Ontario	CAD	N/A	11/22/05	N/A	N/A	762,959	14.4%	Acquisition
Miller Capital - IMI	Retail	Jefferson Pointe	Fort Wayne	IN	N/A	11/22/05	N/A	N/A	35,327,233	8.3%	Acquisition

Total : - 176,224,239

Footnotes

- * The most recent appraised values and historic cost values represent CalPERS' share only.
- * Based upon data provided by partners.
- ** Based on funding settlement date.
- *** See brief descriptions - As attached.

NEW ACQUISITION SUMMARY

Advisor Name:	BlackRock Realty
Property Name:	Estates at Sterling Ridge
City, State:	The Woodlands, Texas
Ownership:	SSR WM Texas, L.P. A California limited partnership Owned 100% by SSR Western Multifamily LLC CalPERS' ownership: 95%
Acquisition Date:	November 18, 2005
Total Project Size:	254 units
Net rentable square feet:	265,700 square feet
Project Purchase Price:	\$21,890,564

Property Highlights

The Estates at Sterling Ridge is a forward commitment acquisition of a 254-unit garden-style Class A apartment community in The Woodlands, Texas. Completed in the fourth quarter of 2005, this project was developed by The Morgan Group and is the highest-end rental product in The Woodlands. The project consists of 15 three-story wood-framed courtyard style buildings plus a one-story clubhouse/leasing facility.

The property is located on 13.57 acres in the Village of Sterling Ridge, part of the 27,000-acre master planned Woodlands development located 27 miles north of downtown Houston. The site has frontage on Woodlands Parkway, the major road through The Woodlands. Adjacent uses include a new Signature Kroger grocery-anchored retail center and newer single-family home communities.

The property is currently in lease-up and was approximately 54% occupied at close of escrow.

Projected After Fee Unleveraged Internal Rate of Return: 9.8%

NEW ACQUISITION SUMMARY

Advisor Name:	Hines (National Office Partners Limited Partnership)
Property Name:	Cottonwood Corporate Center
City, State	Salt Lake City, Utah
Ownership:	The entities above owned by NOP Cottonwood Holdings LLC
Acquisition Date:	November 14, 2005
Total Project Size:	Two six-story and two five-story buildings and two two-story parking structures on approximately 17.58 acres (or 765,785 square feet).
Net rentable area sf	471,348
Project Purchase Price:	\$108,535,000

Property Highlights/Investment Summary:

The Cottonwood submarket is located along the "East Bench" of the Wasatch Mountain Range immediately adjacent to Interstate 215 and east of Interstate 15..

Cottonwood Corporate Center is surrounded by an affluent residential community, high-end retail and recreational areas. Additionally, the project is located within 10 minutes of areas of affordable housing, allowing convenient access for all levels of employment.

The property is enjoys proximity to upscale retail and recreational amenities that include: The Market Street Grill Restaurant; Fashion Place, a Nordstrom anchored mall; Old Mill Golf Course; and four major ski resorts

The asset has efficient floor plates (with load factors ranging from 8%-15%), quality interior finishes, excellent freeway signage, and an on-site gym with locker and shower facilities

Projected After Fee Leveraged Internal Rate of Return:	11.25%
--	--------

NEW ACQUISITION SUMMARY

Advisor Name: Hines (National Office Partners Limited Partnership)

Property Name: Station Square

City, State: Silver Spring, MD

Ownership: NOP 1010 Wayne Avenue LLC
NOP 1100 Wayne Avenue LLC
NOP 8484 Georgia Avenue LLC

Acquisition Date: November 18, 2005

Total Project Size: 515,223 gross area

Net rentable area: 490,166 sq. ft.

Project Purchase Price : \$129,850,000 at 100% (\$127,253,000 at 98% CalPERS Share).

Property Highlights/Investment Summary:

Premier site located across the street from "Downtown Silver Spring", a 400,000 square foot retail and entertainment center

Directly across the street from regional transportation hub including the Silver Spring Metro (Red Line), MARC (Maryland's commuter rail) and Metrobus & Montgomery County Ride-On transfer.

Minutes from downtown Washington, D.C., via 16th Street, and just 1 mile from the Capital Beltway.

The large number of tenants (111) rolling out at a fairly consistent pace presents the opportunity to benefit from rising rents while not being exposed to the potential of a single large tenant vacating.

Projected After Fee Leveraged Internal Rate of Return: 10%

NEW ACQUISITION SUMMARY

Advisor Name:	RREEF/CalSmart LLC, Series C
Property Name:	Mountain View Business Park
City, State	Redlands, CA
Ownership:	100.00% CalSmart LLC
Acquisition Date:	November 21, 2005 (targeted)
Total Project Size:	34.40 Acres
Net rentable area sf	705,000 SF
Project Purchase Price	\$44,832,493 (\$63.59/SF) [Total Forecasted Cost]

Property Highlights/Investment Summary:

Mountain View Business Park is a proposed industrial business park development in Redlands, California. The project will consist of six Class A industrial buildings totaling 705,000 square feet on 38.40 acres of land for a site coverage ratio of 42.6 percent. The property is located 3 blocks south of Redlands Distribution Center, the pre-buy from AMB, which CalSmart entered into a contract to acquire at construction completion.

Mountain View Business Park is located in the City of Redlands in the Inland Empire East industrial submarket of the Greater Los Angeles metropolitan area. The Inland Empire East submarket includes the cities of Redlands, Rialto, and San Bernardino, plus areas to the east of San Bernardino and north through Victorville. The availability rate for the Inland Empire was at 5.2 percent as of the second quarter 2005. This is down 130 basis points since year-end 2004. During 2004, net absorption in the Inland Empire was 17.3 million square feet. Net absorption continues to remain strong with 9.6 million square feet of net absorption in the first half of 2005.

The total unleveraged cost plus financing costs and income offset through stabilization based upon 65 percent leveraged is \$44.83 million or \$63.59 per square foot. The total expected equity investment assuming 65 percent leverage is \$15.69 million with CalSmart contributing 100 percent of the equity requirement. The underwriting assumes five year leases on three of the six buildings, \$0.33 per square foot rents grown at the mid-point of RREEF Research's growth rates and a three-year hold period in order to maximize the lease term remaining at disposition. Additionally, the underwriting assumes a sale of the three remaining buildings totaling 305,000 square feet, within six months of construction completion, 65 percent leverage, an exit cap of 6.25 percent, and sales costs of 2.25 percent.

Projected After Fee Leveraged Internal Rate of Return: 21.8%

NEW ACQUISITION SUMMARY

Advisor Name: LaSalle Investment Management
Property Name: 6445 & 6495 Van Deemter Court
City, State: Mississauga, Ontario
Ownership: CalEast NAT, LLC
Acquisition Date: November 22, 2005
Total Project Size: 22,192 square feet
Project Purchase Price: \$2,675,000 Canadian

Property Highlights/Investment Summary:

The subject property is located in the West Toronto terminal submarket, which is the dominant submarket in metro Toronto given the access to I-401 and proximity to the airport. I-401 is a major shipping lane in Toronto and accounts for 60% of all the inbound and outbound LTL freight in the City. The terminal also benefits from its infill location adjacent to the airport. There are relatively few opportunities for new development due to zoning restrictions / increasing land prices.

The property is a 30-door, cross-dock truck terminal located in Mississauga, a southwest suburb of Toronto. The terminal was built in 1984 consists of two non-contiguous sites located on the northwest side of Van Deemter Court. The first site (6495) is approximately 3.84 acres and contains the 30-door terminal. The second site (6445) is approximately 1.5 acres and is used for parking / storage of excess trailers and other vehicles.

Projected After Fee Internal Rate of Return: 14.4%

ACQUISITION SUMMARY

Advisor/Partnership Name: Miller Capital Advisory, Inc.
Property Name: Jefferson Pointe
City, State: Fort Wayne, IN
Ownership: IMI @ 100%
Acquisition Date: November 23, 2005
Total Project Size: 543,410 square feet
Project Purchase Price: \$98,000,000

Property Highlights

Jefferson Pointe's physical layout, architecture and landscaping present an aesthetic environment that appeals to the upscale Ft. Wayne consumer. The 540,000 square foot open-air center is anchored by Von Maur, a fashion-oriented department store, and Rave, an 18 screen multi-plex with stadium-style seating. The anchors are complemented by several majors and 230,000 square feet of small shop space. Small shop tenants include such upscale fashion retailers such as Brighton's, Chico's, Williams-Sonoma, Ann Taylor Loft and Talbot's.

Ft. Wayne is the second biggest city in Indiana. The metro area population is approximately 515,000 people and is projected to grow by some three percent in the next five years.

Jefferson Pointe is located in a burgeoning commercial corridor in southwest Ft. Wayne, at the intersection of Illinois Road and West Jefferson Boulevard. The project is well located to serve the rapidly growing, affluent neighborhoods to the south and west.

While the center's merchandise mix is market-appropriate, several remerchandising strategies will enhance specific areas within the center. For example, MCA intends to concentrate juniors-oriented concepts near Rave Motion Pictures. MCA also intends to pursue and place more upscale fashion retailers in the center court area adjacent to Von Maur.

Relatively low occupancy costs at 12.5% as of April 2005 signal the potential for rental rate increases upon rollover.

Projected Unleveraged After Fee Internal Rate of Return: 8.31%

INTERNAL PROGRAMS
Alternative Investment Management (AIM) Program
Transactions - December 2005

Partnerships	Date	Transaction	Amount
ABS Capital Partners II	12.19.05	Capital call	\$1,210,192.00
ACP IV	12.21.05	Capital call	\$1,125,000.00
ArcLight II	12.13.05	Capital call	\$18,723,364.00
Ares Corporate Opportunities	12.12.05	Capital call	\$2,663,115.85
Audax II	12.30.05	Capital call	\$5,697.00
Aurora III	12.19.05	Capital call	\$21,666,675.00
Avenue Asia Special Situations III	12.9.05	Capital call	\$7,000,000.00
Behrman Capital III	12.29.05	Capital call	\$1,428,506.00
Belvedere II	12.27.05	Capital call	\$2,603,000.00
Birch Hill III	12.13.05	Capital call	\$1,143,047.86
Blackstone IV	12.14.05	Capital call	\$9,710,464.00
Blackstone IV [Omnibus]	12.21.05	Capital call	\$11,043,433.00
Blackstone Mezzanine	12.23.05	Capital call	\$2,170,850.00
Blackstone NSS Communications	12.21.05	Capital call	\$4,763,692.00
Blum Strategic Partners III	12.20.05	Capital call	\$3,083,882.00
Bridgepoint Europe III	12.6.05	Capital call	\$15,053,577.00
CalPERS/PCG Corporate	12.27.05	Capital call	\$44,000,000.00
Carlyle Asia Growth III	12.29.05	Capital call	\$430,583.00
Carlyle Asia Partners [PVII]	12.22.05	Capital call	\$10,212,403.00
Carlyle Asia Venture II	12.5.05	Capital call	\$1,814,025.00
	12.21.05	Capital call	\$712,624.00
Carlyle Europe Real Estate	12.23.05	Capital call	\$114,902.00
Carlyle Partners II	12.27.05	Capital call	\$55,494.00
Carlyle III Telecommunications	12.6.05	Capital call	\$11,080,691.00
Carlyle Partners IV	12.16.05	Capital call	\$27,362,183.00
Carlyle IV Telecommunications	12.6.05	Capital call	\$10,216,531.00

INTERNAL PROGRAMS
Alternative Investment Management (AIM) Program
Transactions - December 2005

Partnerships	Date	Transaction	Amount
Carlyle Japan Partners	12.23.05	Capital call	\$256,091.00
Carlyle Realty Qualified III	12.30.05	Capital call	\$237,370.00
Carlyle Riverstone III	12.19.05	Capital call	\$1,885,446.66
Carlyle Strategic Partners	12.7.05	Capital call	\$4,734,656.00
	12.27.05	Capital call	\$138,184.00
California Emerging Ventures	12.16.05	Capital call	\$1,755,500.00
	12.23.05	Capital call	\$4,051,295.00
California Emerging Ventures II	12.6.05	Capital call	\$5,536,295.00
	12.12.05	Capital call	\$2,623,709.00
	12.15.05	Capital call	\$1,443,650.00
	12.15.05	Capital call	\$1,000,060.00
	12.23.05	Capital call	\$7,503,535.00
	12.30.05	Capital call	\$232,300.00
California Emerging Ventures III	12.2.05	Capital call	\$965,400.00
	12.15.05	Capital call	\$5,014,700.00
	12.21.05	Capital call	\$1,643,300.00
	12.29.05	Capital call	\$1,274,610.00
Clessidra	12.9.05	Capital call	\$3,320,872.00
Coller International IV	12.15.05	Capital call	\$5,750,000.00
CVC European III	12.16.05	Capital call	\$4,224,734.76
Ethos IV	12.19.05	Capital call	\$10,582.17
FFC III	12.16.05	Capital call	\$900,830.00
Francisco Partners	12.20.05	Capital call	\$2,750,000.00
Gemini Israel IV	12.1.05	Capital call	\$600,000.00
Hellman & Friedman Capital V	12.16.05	Capital call	\$21,315,016.00
KKR European II	12.21.05	Capital call	\$7,511,028.00
KKR Millennium [Overseas]	12.21.05	Capital call	\$1,208,000.00

INTERNAL PROGRAMS
Alternative Investment Management (AIM) Program
Transactions - December 2005

Partnerships	Date	Transaction	Amount
Kohlberg IV	12.28.05	Capital call	\$21,109.00
Kohlberg V	12.28.05	Capital call	\$835,176.00
Landmark XI	12.22.05	Capital call	\$223,656.00
Levine Leichtman III	12.1.05	Capital call	\$250,000.00
	12.29.05	Capital call	\$500,000.00
Lexington IV	12.8.05	Capital call	\$1,650,166.00
Lighthouse V	12.28.05	Capital call	\$1,750,000.00
Littlejohn II	12.12.05	Capital call	\$5,634,638.20
Madison Dearborn IV	12.5.05	Capital call	\$9,663,033.00
Markstone	12.15.05	Capital call	\$4,748,845.00
MC Venture V	12.29.05	Capital call	\$1,300,000.00
New Mountain II	12.6.05	Capital call	\$9,758,471.00
	12.20.05	Capital call	\$1,913,426.00
Nogales I	12.22.05	Capital call	\$1,012,145.75
Oak Hill Capital II	12.14.05	Capital call	\$3,811,435.06
OCM Opportunities VI	12.12.05	Capital call	\$5,000,000.00
OCM Principal Opportunities III	12.9.05	Capital call	\$7,000,000.00
Opportunity Capital IV	12.1.05	Capital call	\$100,221.00
Pacific Community Ventures II	12.22.05	Capital call	\$170,809.69
Paladin Homeland Security	12.28.05	Capital call	\$757,285.00
Parish Capital	12.21.05	Capital call	\$1,496,809.00
Pinnacle II-B	12.29.05	Capital call	\$372,686.00
Polish Enterprise IV	12.9.05	Capital call	\$738,461.54
Prospect Venture II	12.20.05	Capital call	\$2,000,000.00
Prospect Venture III	12.19.05	Capital call	\$2,000,000.00
RFG Private Equity - 1C	12.21.05	Capital call	\$467,692.00
Ripplewood II	12.23.05	Capital call	\$441,874.00

INTERNAL PROGRAMS
Alternative Investment Management (AIM) Program
Transactions - December 2005

Partnerships	Date	Transaction	Amount
Technology Partners VII	12.16.05	Capital call	\$1,500,000.00
Thailand Partners	12.15.05	Capital call	\$5,177,165.35
Thomas H. Lee V	12.27.05	Capital call	\$5,728,857.00
Thomas Weisel Global Growth	12.13.05	Capital call	\$3,000,000.00
Thomas Weisel Venture	12.1.05	Capital call	\$4,375,000.00
TowerBrook II	12.23.05	Capital call	\$6,879,966.00
TPG IV	12.12.05	Capital call	\$6,034,525.00
	12.16.05	Capital call	\$12,069,050.00
TPG Ventures	12.7.05	Capital call	\$5,995,928.00
TPG Ventures Holdings	12.7.05	Capital call	\$872,037.00
W Capital	12.15.05	Capital call	\$1,500,000.00
Weston Presidio IV	12.14.05	Capital call	\$3,500,000.00
	12.29.05	Capital call	\$1,000,000.00
Weston Presidio V	12.8.05	Capital call	\$2,275,000.00
Yucaipa Corporate Initiatives	12.12.05	Capital call	\$8,664,935.00
	12.14.05	Capital call	\$8,138,528.00
	12.22.05	Capital call	\$11,515,152.00
TOTAL CAPITAL CALLS			\$449,125,178.89
TOTAL DISTRIBUTIONS			\$325,072,390.18

INTERNAL PROGRAMS		
Alternative Investment Management (AIM) Program		
Summary of Investments Completed Under Delegated Authority		
Item	Name of Investment	Commitment
Attachment 1	Carlyle Mexico Partners, L.P.	\$25 million
Attachment 2	Lightspeed Venture Partners VII, L.P.	\$35 million
Attachment 3	Pharos Capital Partners II-A	\$50 million

**Alternative Investment Management Program
Executive Summary of Action Taken
Under Delegation of Authority**

Carlyle Mexico Partners, L.P.

Action:

Commit \$25 million to Carlyle Mexico Partners, L.P. (the "Fund")

Background:

The Carlyle Group ("Carlyle" or the "Firm") is one of the world's largest private equity investment firms with 22 funds across four investment strategies. Carlyle is raising Carlyle Mexico Partners, L.P. in order to make control-oriented investments in Mexican companies through leveraged transactions. The Fund will target companies in industries where Carlyle has deep industry expertise. A dedicated investment team will focus on implementing the investment strategy of the Fund. Carlyle was established 1987 and currently has over 500 employees located in 20 offices around the world.

The Fund had a closing in November 2005 and targets a final fund size of \$250 million.

Key Principals:

- **Luis Téllez, Managing Director.** Prior to joining Carlyle, Mr. Téllez served as Executive Vice President and CEO of DESC, S.A. de C.V., one of the largest companies in Mexico. From 1997 to 2000, Mr. Téllez served as Mexico's Secretary of Energy. From 1987 to 1993, Mr. Téllez served in several senior positions in the Mexican government, including Head Economist at the Ministry of Treasury and Undersecretary of Planning at the Ministry of Agriculture and Water Resources. Mr. Téllez earned his B.S. in economics from the Instituto Tecnológico Autónomo de México, summa cum laude, and his Ph.D. in economics from MIT.
- **Joaquin Avila, Managing Director.** Prior to joining the Firm, Mr. Avila was a Managing Director and Head of Latin America for Lehman Brothers. Prior to Lehman, he served as Managing Director of VA Investments/Compass Group in Mexico City. Mr. Avila also formed VAI, a private equity firm in Mexico that was financially supported by Banco Santander. Prior to VAI, Mr. Avila worked at Banco Santander, as Managing Director and Member of the Board of Santander Investment. Before Santander, he worked at Bankers Trust as

Representative of the Mexico City Office and was a board member of Unica, one of the oldest venture capital firms in Mexico. Mr. Avila earned his B.S. in engineering from the Universidad IberoAmericana, his M.S. in engineering from Stanford University, and his M.B.A. from Yale University.

Analysis:

- **The Fund will be the sole Carlyle fund focused on control investing in Mexico.** The Fund will benefit from a global network of offices and investment professionals with expertise in the Fund's targeted industries. The Fund will have the right of first refusal for any investment opportunities sourced in the broader network that falls within the Fund's investment strategy.
- **The Fund will target industries where Carlyle has developed deep networks and expertise.** Since the formation of Carlyle 1987, the Firm has developed deep networks of executives, consultants, intermediaries, and others within the Fund's targeted industries. Because of Carlyle's history of executing and generating returns in the targeted industries, the Fund will have increased deal flow and access to executives.

Litigation:

According to Carlyle, there is no current, threatened, or pending litigation against the Firm that may have an adverse effect on the Fund.

Delegation Resolution Compliance:

This decision complies with CalPERS Delegation No: 00-02 BD (A)1(f).

Due Diligence Report:

Staff has received a Due Diligence Report on this transaction from KPMG.

**Alternative Investment Management Program
Executive Summary of Action Taken
Under Delegation of Authority**

Lightspeed Venture Partners VII, L.P.

Action:

Commit \$35 million to Lightspeed Venture Partners VII, L.P. (the "Fund").

Background:

Formerly known as Weiss, Peck, & Greer Venture Partners ("WPGVP"), the Firm changed its name to Lightspeed Venture Partners ("Lightspeed" or the "Firm") in October 2000 to emphasize its commitment to early-stage technology investing. The Firm manages \$2.3 billion of capital across its eight prior funds and has a primary focus on early-stage investing in a broad array of technologies, products, and services in the US, Israel, and Asia. The Firm employs eight investment professionals and operates out of its office in Menlo Park, CA.

The Firm closed the Fund with \$475 million of aggregate commitments in November 2005.

Key Principals:

- **Christopher Schaepe, Founder and Managing Partner.** Prior to Lightspeed, Mr. Schaepe was a General Partner at WPGVP which he joined in 1991. Previously, Mr. Schaepe worked in the corporate finance and capital markets groups at Goldman, Sachs & Co. and as a software engineer at IBM. Mr. Schaepe holds BS and MS degrees in Computer Science and Electrical Engineering from MIT and an MBA from the Stanford Graduate School of Business.
- **Peter Nieh, General Partner.** Prior to Lightspeed, Mr. Nieh joined WPGVP in 1995. Prior to WPGVP, Mr. Nieh served in business development and product marketing roles at General Magic. Prior to General Magic, Mr. Nieh ran Acer's portable PC business in North America and worked as a strategy consultant at Bain & Company. Mr. Nieh holds a BS in Electrical Engineering, an AB in Economics, and an MBA from Stanford University.
- **Barry Eggers, General Partner.** Prior to Lightspeed, Mr. Eggers joined WPGVP in 1997. Prior to WPGVP, Mr. Eggers was Director of Business

Development at Cisco Systems, where he led several acquisitions and integrations. Mr. Eggers holds a BA in Economics and Business from UCLA and an MBA from the Stanford Graduate School of Business.

- **Ravi Mhatre, General Partner.** Prior to Lightspeed, Mr. Mhatre joined WPGVP in 1999. Prior to WPGVP, Mr. Mhatre was with Bessemer Venture Partners. Prior to Bessemer, Mr. Mhatre worked in the engineering workstation division of Silicon Graphics and worked at Lehman Brothers and Booz Allen Hamilton. Mr. Mhatre holds a BS in Electrical Engineering, an AB in Economics, and an MBA from Stanford University.

Analysis:

- **Lightspeed has produced strong aggregate investment performance across multiple funds.** The General Partner has demonstrated solid, top-quartile investment returns over eight funds and the aggregate investment performance far exceeds its venture benchmarks.
- **The Firm is led by an experienced and cohesive team of senior investment professionals with both venture and operating experience.** The senior investment professionals have an average of ten years working together at Lightspeed and WPGVP. Most senior investment professionals have extensive operating experience to complement their venture backgrounds, which will help them add value to the early-stage portfolio companies.
- **Lightspeed has demonstrated a strong brand within the venture community as evidenced by the quality of the co-investor base.** Given the Firm's reputation in the investment community, it has access and experience working alongside other top-tier venture capital firms in syndicate transactions and with a fair degree of frequency.

Litigation:

According to Lightspeed, there is no current, threatened, or pending litigation against the Firm that may have a material adverse effect on the Fund.

Delegation Resolution Compliance:

This decision complies with CalPERS Delegation No: 00-02 BD (A)1(d).

Due Diligence Report:

Staff has received a Due Diligence Report on this transaction from Grove Street Advisors.

**Alternative Investment Management Program
Executive Summary of Action Taken
Under Delegation of Authority**

Pharos Capital Partners II-A, L.P.

Action:

Commit \$50 million to Pharos Capital Partners II-A, L.P.

Background:

Founded in 1998, Pharos Capital Partners is raising its second private equity fund, Pharos Capital Partners II-A, L.P. The Firm raised a SBIC fund that will invest pari passu with Pharos Partners II-A, L.P (Collectively the "Fund"). The Fund will target mid-to-late stage companies located in underserved markets throughout the United States that need growth or expansion capital. Pharos expects to invest a significant amount of capital in business services, healthcare, and consumer service companies. In addition, the Fund will opportunistically invest in applied technology, telecommunications, and infrastructure businesses. Pharos has offices in Dallas, TX and Nashville, TN.

The Fund had a closing in September 2005 and targets a final fund size of \$300 million in the first half of 2006.

Key Principals:

- **Kneeland Youngblood M.D., Co-Founder and Managing Partner.** Prior to forming Pharos, Dr. Youngblood founded and was a Managing Partner at DC Investment Partners. He has over 15 years of clinical experience in emergency medicine. Mr. Youngblood served on the board of the Teacher Retirement System of Texas from 1993 to 1999. He earned his M.D. at the University of Texas Southwestern Medical School and graduated with an undergraduate degree from Princeton University.
- **D. Robert Crants, Co-Founder and Managing Partner.** Before co-founding the Firm, Mr. Crants co-founded DC Investment Partners where he was a Managing Director. Prior to DC Investment Partners, he worked for Goldman Sachs where he was a founding member of the Special Investments Group. Mr. Crants earned an Economics degree from Princeton University.

- **Michael Devlin, Co-Founder and Managing Partner.** Before forming the Firm, Mr. Devlin was a Managing Partner with DC Investment Partners, which he co-founded in 1996. Before DC Investment Partners, he was a Vice President and Founding Member of the Business Development Group of Goldman Sachs and a member of Goldman's Innovation Committee. Mr. Devlin graduated from Duke Law School and Yale University.

Analysis:

- **The Fund is managed by a group of seasoned professionals who have demonstrated an ability to generate attractive investment returns.** The Managing Partners of the Firm have over 8 years of experience investing together. Over the life of the Firm, these professionals have generated top quartile performance investing in the Fund's target markets.
- **The Fund will face limited competition for transactions in its target markets, allowing Pharos to select the best investments for the Fund.** The Firm has demonstrated the ability to source proprietary deal flow in underserved markets throughout the United States. From the formation of Pharos, the Firm has targeted companies located in regions that traditionally received little attention from traditional private equity investors.

Litigation:

According to Pharos, there is no current, threatened, or pending litigation against the Firm that may have an adverse effect on the Fund.

Delegation Resolution Compliance:

This decision complies with CalPERS Delegation No: 00-02 BD (A)1(d).

Due Diligence Report:

Staff has received a Due Diligence Report on this transaction from Hamilton Lane.

INTERNAL PROGRAMS		
Risk Managed Absolute Return Strategies (RMARS) Program		
Summary of Investments Completed Under Delegated Authority		
Item	Name of Investment	Initial Contribution
Attachment 1	OZ Domestic Partners II, L.P.	\$75 million
Attachment 2	Vision Blue Diamond Fund. L.P.	\$100 million

ATTACHMENT 1

Risk Managed Absolute Return Strategies (RMARS) Program Executive Summary of Action Taken Under Delegation of Authority

OZ Domestic Partners II, L.P.

Action:

Initial contribution of \$75 million to OZ Domestic Partners II, L.P. (the "Fund") on December 1, 2005.

Background:

Och-Ziff Capital Management Group was founded by Daniel Och in 1994. The firm has a total of 213 employees, 16 Members and 11 Principals, with Mr. Och serving as the Senior Managing Member. Investments are conducted on a global basis from the firm's three main offices located in New York, London, and Hong Kong. The firm's total assets under management (AUM) is \$14.7 billion with \$544 million in the hedge fund, OZ Domestic Partners II, L.P.

The Fund is a global institutional asset manager that seeks to achieve consistent positive absolute returns which are non-correlated with equity market indices. To achieve these objectives, the manager utilizes multi-strategy investments in merger arbitrage, long/short equity special situations, convertible/capital structure arbitrage, and distressed credit.

Key Principals:

- **Daniel Och, Senior Managing Member.** Prior to founding Och-Ziff Associates, LLC and Och-Ziff Management, LLC in 1994, Mr. Och was Vice President and Co-head of the US Listed Equities Department at Goldman Sachs & Co. In addition, Mr. Och managed Goldman Sachs' proprietary activities in this area. Mr. Och was named Vice President in 1987 and began his career as a member of Goldman Sachs' Arbitrage Department in 1982. He received his B.S. from the Wharton School of the University of Pennsylvania.
- **Joel Frank, Managing Member, CFO.** Mr. Frank has served as CFO since the inception of the Och-Ziff organization. From 1977 to 1983, Mr. Frank was employed by Manufacturers Hanover Trust and from 1983 to 1988 was Vice President and CFO of Manufacturers Hanover Investment Corporation. Mr. Frank joined Rho Management Company, Inc. as CFO and served until 1994 when he joined Och-Ziff. Mr. Frank holds a B.B.A. in Accounting from Hofstra University and a M.B.A. in Finance from Fordham University. Mr. Frank is also a CPA licensed in the State of New York.

- **David Windreich, Managing Member.** Prior to joining Och-Ziff Management, Mr. Windreich was Vice President in the Equity Derivatives Department at Goldman Sachs & Co. Mr. Windreich began his career at Goldman Sachs in 1983 and became Vice President in 1988. Mr. Windreich holds both a B.A. in Economics and a M.B.A. in Finance from the University of California at Los Angeles.
- **Harold Kelly, Jr., Senior Convertible Trader.** Mr. Kelly joined the OZ organization in 1995 as a Senior Convertible Trader. He is currently responsible for the management of the U.S. and non-US. convertible arbitrage portfolio. Prior to joining Och-Ziff Management, Mr. Kelly spent seven years trading various financial instruments at Cargill Financial Services Corp., Eagle Capital Management, Merrill Lynch International, Ltd. and Buchanan Partners, L.P. Mr. Kelly earned a B.B.A., M.B.A. and Ph.D. in Finance from the University of Georgia.

Analysis:

- **The Fund is large and well established with strong investment professionals.** Three of the five senior members of the firm have been together since the firm's founding in 1994. As one of the world's largest hedge fund manager, with more than \$14 billion of assets under management, Och-Ziff's large capital base provides access to investment opportunities not available to smaller or less established hedge funds.
- **The Fund has an exceptional track record of consistent success.** During its 12 year existence, the Fund's percentage of positive monthly returns is over 90%.
- **The Firm is institutional in quality.** The Firm has advanced back-office systems (multiple back-up sites), fully integrated risk management systems and advanced trading systems.

Litigation:

According to OZ, there is no current, threatened, or pending litigation against the Firm that may have an adverse affect on the Fund.

Delegation Resolution Compliance:

This decision complies with CalPERS Delegation Nos. 89-13 and 95-50.

Due Diligence Report:

Staff has conducted Due Diligence on this transaction with assistant from the Petra Group.

ATTACHMENT 2

Risk Managed Absolute Return Strategies (RMARS) Program Executive Summary of Action Taken Under Delegation of Authority

Vision Blue Diamond, L.P.

Action:

Initial contribution of \$100 million to Vision Blue Diamond, L.P. (the “Fund”) on December 1, 2005.

Background:

Based in Hong Kong, Vision Investment Management (“VIM”) was established in June 2000 to provide alternative investment solutions to investors globally. VIM is one of the pioneer fund-of-hedge-funds (“FoHF”) investment organizations in Asia with an effective investment process, stringent risk management and attractive risk-adjusted absolute returns. Currently, VIM has approximately \$800 million of FoHF assets under management.

In June 2004, VIM has been authorized by the Hong Kong Securities Futures Commission to launch retail FoHF for the general public in Hong Kong. To date, VIM is still the only Hong Kong based fund management company to have acquired such status.

Key Principals:

- **Jerry Wang, CEO, CIO.** Jerry, the founder of VIM, has been in the asset management industry for 14 years. As the CEO/CIO of VIM, Jerry heads up the investment and research team and chairs the firm’s investment committee meetings. Prior to forming VIM, Jerry was an Executive Director of Scudder Kemper Investments, preceded by an engagement as Director of Marketing at Merrill Lynch Capital Management Group. Jerry received a B.S. in Industrial Engineering and Management Science from the McCormick School of Engineering at Northwestern University.
- **James Chen, COO.** James is a founding member and a director of the board of VIM. He has 13 years of experience in the investment management industry. As COO, James is responsible for handling all aspects of client relations, business development and administration operations. James began his career in 1993 with Jardine Fleming in Hong Kong. In 1995, James assumed the role of Sales Director of Scudder Kemper Investments where he was the head of mutual funds. In 1998, James joined Goldman Sachs Asset Management (“GSAM”) as an Executive Director where he was the head of

North Asian Institutional marketing as well as being in charge of the sales of GSAM products in the private clients team. James holds a B.S. in Finance and Marketing from the Wharton School of the University of Pennsylvania. James also holds the Chartered Financial Analyst designation.

- **Eddie Pow, Quantitative Risk Management.** Eddie is responsible for the quantitative research and risk management of VIM portfolios. He has 9 years experience in the financial services industry as a quantitative analyst and strategist. He began his career as a quantitative analyst at Asia Equity and later joined Banque Paribas. At Banque Paribas, he was responsible for designing statistical models for valuing securities and for designing portfolio construction models. Eddie graduated from the University of Toronto with a B.A. in Actuarial Science and Statistics.

Analysis:

- **The Firm has a deep developed network within Asia.** VIM was an early participant in the Asian fund of hedge funds industry. It has built a large professional network throughout the industry. Given the depth of the network, VIM has access to top-quality managers which have subsequently closed their funds to new investors.
- **The Fund has produced an attractive track record.** VIM's flagship fund has produced strong returns (excess of 14% annualized since inception) with less volatility than and fairly low correlation to, the relevant region-wide equity market index (MSCI AC Asia Pacific Index).

Litigation:

According to VIM, there is no current, threatened, or pending litigation against the Firm that may have an adverse effect on the Fund.

Delegation Resolution Compliance:

This decision complies with CalPERS Delegation Nos. 89-13 and 95-50.

Due Diligence Report:

Staff has received a Due Diligence Report on this transaction from The Petra Group.